4.1 Introduction

In the preceding chapter the role, growth and performance of SSIs was discussed. In this chapter, it is proposed to explain the theoretical framework of leadership and leadership styles. Leadership can be defined as pattern of behavior designed to integrate organizational and personnel interests in pursuit of some objectives. There are various frameworks or schemes that depict the types of leadership styles from which a manager may select the one, most appropriate to personal, subordinate, and organizational needs. One of the commonly cited frameworks consists of the following: 1) coercive autocracy, where the leader tells and if necessary threatens; 2) benevolent autocracy, where the leader tells and explains the utilizing positive reinforcement if the behavior is forthcoming; 3) manipulative autocracy, where the leader “cons” subordinates into thinking that they are significantly participative as he or she is pulling the strings behind the scenes-in effect a sophisticated autocrat; 4) consultative
leadership, where employees feel and believe that their inputs are truly
designed and can have impact upon the decision; and 5) a laissez-faire
approach, where the leader wishes to join the group as a fellow participant
and do what the group wants to do, but the organization superiors still hold
the leader accountable for decision results. Hersey and Blanchard (1977)
have identified four leadership styles: style-1 (telling), style-2 (selling),
style-3 (participating) and style-4 (delegating).

A perfect leadership style of entrepreneurs brings a congenial
organizational climate and helps to bring effectiveness. It gives importance to
the human factor in order to buy the employee from the core of his heart to
attain his full commitment. So, leadership styles of entrepreneurs play an
important role in organization. The present study “Leadership styles in Small
Scale Industrial Units” is expected to throw some light in the area of
organizational effectiveness resulted by leadership style & fitness of managers.

4.2 Concept of Leadership

Human beings are the most precious assets of any organization. The
management of an organization is responsible for putting this human
resource into effective use. By winning support of the people in an
organization, management can motivate them to a longer period. However,
it is only possible when an entrepreneur becomes leader in the real sense to
influence their behaviour in a desired manner. Thus leadership is an
essential ingredient for successful organizations.

Leadership is interpersonal influence exercised in a situation and
directed through communication process, towards the attainment of a specified
goal or goals. Leadership is a continuous process of behaviour and may be
seen between a leader and his/her followers. By exercising leadership, the
leader tries to influence the behavior of a group of individuals. Leader should feel the importance of individuals should give them recognition and convey them about the importance of activities performed by them. Leadership is exercised in a particular situation, at a given point of time. It implies that leadership styles may be different under different situations. An organization is a system in which people with different attitudes, perceptions and from different culture, work together to achieve a common objective. In this process these individuals have to interact and support each other.

Leadership is the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organization of which they are members. A person can be an effective manager, a leader both or neither. This is because the leadership differs from management or some counts. While leadership deals with vision after keeping the mission in sight, management deals with establishing structure and systems to get the results. Leadership derives its power from values and correct principles. Management organizes resources to attain goals. Leadership stresses on transformation aspect and management focuses on transactional aspect. Transformational leadership involves a set of abilities that allows leaders to recognize the need for change, to create a vision to guide that change and to execute that change effectively. Transactional leadership involves routine activities, assigning work evaluating performance and making decisions.

4.3 Leadership and Management

Both the leadership and the management are closely related although there are a few basic differences. Management Guru Peter F Drucker said, “Management is doing things right, leadership is doing the right things”. It clearly demarcates the difference by saying that management deals with
how efficiently the work is done and leadership deals with how effectively the work is done. Management insists on performance, whereas leadership talks about productivity.

While leadership focuses more on vision, the management lays stress on mission. While the leaders talk of where to reach goals, the managers talk of how to reach. The leaders derive power while the managers act as per authority. When the manager provides the direction, the leaders set the pace and speed. The managers always follow the road, whereas the leaders create the road. The manager is involved in execution while the leader is involved in delegation. It is the leader who is always the high risk taker whereas the manager has limited risk to take.

The manager always does the different things whereas the leader does the things differently with his unconventional attitude. The manager is within the hierarchy whereas the leader is the creator of hierarchy. To put in nutshell, if the manager puts efforts in climbing the ladder, it is the role of the leaders to see that the ladder is on the right side of the wall.

4.4 Importance of Leadership

Without a good leader, organization cannot function efficiently and effectively. The leader affects direction of activities in the organization. A good leader by exercising efficient leadership motivates the employees for high performance. Good leadership in the organization itself is a motivating factor for workers.

A good leader can create confidence in followers by directing them, giving them advice and inducing good results through them in the organization. The employee tries to maintain this efficiency level as one
acquires certain level of confidence toward one’s capacity. By providing good leadership in the organization, employees’ morale can be raised. This ensures that high productivity and stability is maintained in the organization.

4.5 Approaches of Leadership

There is a difference in ways leaders approach their employees. Positive leaders use rewards, such as education, independence, etc. to motivate employees, while negative leaders emphasize penalties. Negative leaders act domineering and superior with people. Also note that most leaders do not strictly use one or another, but are somewhere on a continuum ranging from extremely positive to extremely negative.

4.5.1 Transactional and Transformational Leadership

James Mc Gregor Burns (1978) was the first to put forward the concept of “transforming leadership”. To Burns transforming leadership “is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents”. Burns draws upon the humanistic psychology movement in his writing upon ‘transforming leadership’ by proposing that the transforming leader shapes, alters, and elevates the motives, values and goals of followers achieving significant change in the process. He proposed that there is a special power entailed in transforming leadership with leaders “armed with principles [that] may ultimately transform both leaders and followers into persons who jointly adhere to modal values and end-values.

Burns sees the power of transforming leadership as more noble and different from charismatic leadership, which he terms ‘heroic’ leadership, and executive or business leadership. Despite this it is surprising that most of the application of Burns’ work has been in these two types of leadership.
Bernard Bass (1985) developed Burns’ concept of transforming leadership in ‘Leadership and Performance Beyond Expectations’ into ‘transformational leadership’ where the leader transforms followers – the direction of influence to Bass is thus one-way, unlike Burns’ who sees it as potentially a two-way process. Bass, however, deals with the transformational style of executive leadership that incorporates social change, a facet missing from Burns’ work. For Bass ‘transformational leaders’ may: expand a follower’s portfolio of needs, transform a follower’s self-interest, increase the confidence of followers, elevate followers’ expectations, heighten the value of the leader’s intended outcomes for the follower, encourage behavioural change, motivate others to higher levels of personal achievement (Maslow’s ‘self-actualization’).

Tichy and Devanna (1986) in their book ‘Transformational Leadership’ built further on the work of Burns and Bass in organisational and work contexts. They described the hybrid nature of transformational as “…not due to charisma. It is a behavioural process capable of being learned”.

Bass and Avolio (1994) suggested that “Transformational leadership is closer to the prototype of leadership that people have in mind when they describe their ideal leader, and it is more likely to provide a role model with which subordinates want to identify”.

Transactional leadership has been the traditional model of leadership with its roots from an organisational or business perspective in the ‘bottom line’. Stephen Covey (1992) writing in ‘Principle-Centered Leadership’ suggests that transformational leadership “… focuses on the ‘top line’” and offers contrast between the two (a selection being): The difference between
Leadership Styles

Transactional Leadership and Transformational Leadership is given in Table 4.1.

**Table 4.1: Transactional Leadership and Transformational Leadership**

<table>
<thead>
<tr>
<th>Transactional leadership</th>
<th>Transformational leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Builds on man’s need to get a job done and make a living</td>
<td>1) Builds on a man’s need for meaning</td>
</tr>
<tr>
<td>2) Is preoccupied with power and position, politics and perks</td>
<td>2) Is preoccupied with purposes and values, morals, and ethics</td>
</tr>
<tr>
<td>3) Is mired in daily affairs</td>
<td>3) Transcends daily affairs</td>
</tr>
<tr>
<td>4) Is short-term and hard data orientated</td>
<td>4) Is orientated toward long-term goals without compromising human values and principles</td>
</tr>
<tr>
<td>5) Focuses on tactical issues</td>
<td>5) Focuses more on missions and strategies</td>
</tr>
<tr>
<td>6) Relies on human relations to lubricate human interactions</td>
<td>6) Releases human potential – identifying and developing new talent</td>
</tr>
<tr>
<td>7) Follows and fulfils role expectations by striving to work effectively within current systems</td>
<td>7) Designs and redesigns jobs to make them meaningful and challenging</td>
</tr>
<tr>
<td>8) Supports structures and systems that reinforce the bottom line, maximise efficiency, and guarantee short-term profits</td>
<td>8) Aligns internal structures and systems to reinforce overarching values and goals</td>
</tr>
</tbody>
</table>

4.5.2 Team Leadership

To survive in today’s ever-changing environment, building of teams within the organization is essential. For the effective functioning of the teams, team leadership is unavoidable. In team leadership group effectiveness is shared by group and the final decision is also left to the group. The leader considers the group not as a set of individual but as an “interactive and collective team”. Needs and feelings of the members are encouraged by team leaders and are openly discussed in meetings. Effective team leader create vision, facilitate the
team to achieve its goals, increase commitment and confidence, maintain relationship with outsiders, and creates opportunities for others.

Meredith Belbin (1970) conducted a study of teams focusing on the factors separating successful and unsuccessful teams via a college business game at Henley a feature of which was shared leadership.

Through the game Belbin found that the composition of the team was important and that individual differences in style, role and contribution far from underlining personal weaknesses, were a source of potential team strength. Balanced teams comprised of such individuals who engaged in complementary role behaviour performed better than unbalanced teams.

Nine distinctive roles were identified in the study, with most people being found to embrace a mix of two or three roles whilst also avoiding others with which they were uncomfortable. Where there was an individual with clear, useful and appreciated attributes they would fit into a team on the basis of the strengths they brought. These people would also have weaknesses that belonged to the same cluster of characteristics as the strength itself. These potential deficiencies were considered the price that has to be paid for a particular strength, a price that is worth paying, and were referred to as ‘allowable weaknesses. Belbin found no ‘ideal’ team member, individual who could perform all of the roles.

From this work, Belbin drew the distinction between the “Solo” and the “Team” leader. He suggests that “leaders are not notable for admitting their weaknesses, whether allowable or not. They act as though they have no weaknesses”. To many people the image of the leader - a person heading up a team of followers, ever ready to take on any role and assuming any responsibility - is very familiar to us for it is the one based upon our past
experiences and beliefs. Belbin classified such leaders as ‘Solo leaders’ and in the workplace this type of behaviour may have great advantages, for internal barriers can be overcome and decisions, especially those of an urgent nature, can be made and put into effect with little or no delay.

The increasing complexity and the discontinuous nature of modern work however, poses greater problems where Solo leadership is less appropriate and ‘Team leadership’ more suited. The key difference between the ‘Solo leader’ and ‘Team leadership’ revolves around the behaviour and participation of the two as illustrated below in Table 4.2:

Table 4.2: Difference between Solo Leader and Team Leader

<table>
<thead>
<tr>
<th>Solo leader</th>
<th>Team leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plays unlimited role – the Solo Leader interferes in everything</td>
<td>Chooses to limit role to preferred team roles – delegates roles to others</td>
</tr>
<tr>
<td>Strives for conformity – the Solo Leader tries to mould people to particular standards</td>
<td>Builds on diversity – the Team Leader values differences between people</td>
</tr>
<tr>
<td>Collects acolytes – The Solo Leader collects admirers and sycophants</td>
<td>Seeks talent – The Team Leader is not threatened by people with special abilities</td>
</tr>
<tr>
<td>Directs Subordinates – subordinates take their leads and cues from the Solo Leader</td>
<td>Develops colleagues – the Team Leader encourages the growth of personal strengths</td>
</tr>
<tr>
<td>Projects objectives – the Solo Leader makes it plain what everyone is expected to do 1. Chooses to limit role to preferred team roles – delegates roles to others</td>
<td>Creates mission – the Team Leader projects the vision which others can act on as they see fit</td>
</tr>
</tbody>
</table>
4.5.3 Situational Leadership

Ben Blanchard and Paul Hersey (1977) created a model for situational leadership in the late 1960s that can analyze the needs of the situation to adopt the most appropriate leadership style. Blanchard and Hersey characterized leadership style in terms of the amount of direction and of support that the leader gives to his followers.

The Situational Leadership approach sees leadership as specific to the situation in which it is being exercised. For example, whilst some situations may require an autocratic style, others may need a more participative approach. It also proposes that there may be differences in required leadership styles at different levels in the same organization.

4.5.4 Alpha Leader

Alpha leaders are those people who have the qualities such as self confidence and high intelligence and are action-oriented but fail to appreciate the ideas and efforts of those around. They de-motivate their co-workers and consider themselves as the go-getters in the organization. Alphas leaders require skilled coaches who can regulate the energies by preserving their strength and working on their weaknesses, there by leading to a harmonious team spirit. Alphas act decisively and have the basic fundamentals strong in almost every area and everything they come across. Because of their logical point of view they think better and take better decisions. Alphas are so confident about their ideas that they always dismiss their colleagues who disagree with them.

Being result oriented, alphas do not rest until their goal is achieved. The pressure alphas feel in the process of achieving the goal often compels them to change their leadership styles from constructive to challenging. Co-workers
sometimes find it hard to work with alphas and find learning from alpha difficult. This avoidance hampers team spirit and leads to organizational dysfunction. In fact, Alphas feel happy when they set and achieve high goals. They are always dissatisfied with non-alphas and do not appreciate the efforts made by them and fail to motivate them (Sivaram Tekuru 2007).

4.5.5 Authentic Leadership

M.H Kernis (2003) defined authenticity as “unobstructed operations of one’s true, or core, self in one’s daily enterprise.” Authenticity is a self–referential state of being. It is more than a feeling, and has to do primarily with being one’s true self. It is a state of being that is self-contained and does not require the presence of another for its reality to become manifest.

Authentic leaders are not only true to themselves, but also true to their roles as leaders, which include an element of being aware of social cues and follower’s needs, expectations, desires and feedback. “Because the authentic leader is very self-aware he/she can react to environmental priming cues to make certain aspects of the true self more salient. This result in a working self-concept that is more adaptive and responsive to situational cues. Authentic leaders are genuine and have intentions to not only serve others through their leadership, but also to empower their followers. Authentic leaders lead in a manner that their peers, followers and other stakeholders recognize authentic. Because such leaders are more transparent, are more open and self-disclose more, they evoke higher levels of follower trust through personal identification with their followers. Authentic leaders act according to their values, build relationships that enable followers to offer diverse view-points and build social networks
with followers. Authentic leaders also recognize followers’ talents and see their job as one in which they nurture following talents into strengths.

Authentic leadership is shaped by contextual factors which may be historical or contemporaneous, textual or embedded in images, organization or methodological. Leader and follower cognitions play critical role in authentic leadership. Knowing oneself and being oneself are essential qualities of authentic leadership. Sources of self knowledge reside in early childhood experiences, feedback from classmates, teachers and supervisors and the lessons of experience. One of the focal elements relating to knowing oneself is the extent which leaders and followers perceive themselves as self efficacious individuals. Authentic leaders exhibit a high level of moral capacity and display moral resilience or the ability to positively adapt in the face of significant adversity or risk. Authentic leaders develop and draw upon reserves of moral capacity, efficacy, courage and resiliency to address ethical issues and achieve authentic and sustained moral actions (Joseph Sebastian Thekedam (2008).

4.5.6 Servant Leadership

The notion of “Servant Leadership” emphasises the leaders’ duty to serve his/her followers - leadership thus arises out of a desire to serve rather than a desire to lead. Robert Greenleaf (1970), founder of the Center for Servant Leadership describes it as follows:

“The servant-leader is servant first… It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve
Leadership Styles

– after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature.

The difference manifests itself in the care taken by the servant-first to make sure that other people’s highest priority needs are being served. The best test, and difficult to administer, is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society; will they benefit, or, at least, will they not be further deprived?”

“Servant-Leadership is a practical philosophy which supports people who choose to serve first, and then lead as a way of expanding service to individuals and institutions. Servant leaders may or may not hold formal leadership positions. Servant-leadership encourages collaboration, trust, foresight, listening, and the ethical use of power and empowerment.”

The emphasis on serving a higher purpose has made this model popular within the Church and other religious institutions.

4.5.7 Dispersed Leadership

The importance of social relations in the leadership contract, the need for a leader to be accepted by his followers and a realisation that no one individual is the ideal leader in all circumstances have given rise to a new school of leadership thought. Referred to as ‘informal’, ‘emergent’ or ‘dispersed’ leadership, this approach argues a less formalised model of leadership where the leaders’ role is dissociated from the organisational hierarchy. It is proposed that individuals at all levels in the organisation and in all roles (not simply those with an overt management dimension) can
exert leadership influence over their colleagues and thus influence the overall leadership of the organisation.

Heifetz (1994) distinguishes between the exercise of “leadership” and the exercise of “authority” – thus dissociating leadership from formal organisational power roles whilst Raelin (2003) talks of developing “leaderful” organisations through concurrent, collective and compassionate leadership. The key to this is a distinction between the notions of “leader” and “leadership”. “Leadership” is regarded as a process of sense-making and direction-giving within a group and the “leader” can only be identified on the basis of his/her relationship with others in the social group who are behaving as followers. In this manner, it is quite possible to conceive of the leader as emergent rather than predefined and that their role can only be understood through examining the relationships within the group (rather than by focusing on his/her personal characteristics or traits).

The origins of such an approach have their foundations more in the fields of sociology and politics than the more traditional management literature and draw on concepts such as organisational culture and climate to highlight the contextual nature of leadership. It is a more collective concept, and would argue for a move from an analysis and development of individual leader qualities to an identification of what constitutes an effective (or more appropriate) leadership process within an organisation.

4.6 Theories of Leadership

A review of the theories operating to leadership reveals an evolving series of 'schools of thought' from “Great Man” and “Trait” theories to “Transformational” leadership. Whilst early theories tend to
focus upon the characteristics and behaviours of successful leaders, later theories begin to consider the role of followers and the contextual nature of leadership.

4.6.1 Great Man Theories

Great Man theories hold the view that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term 'man' was intentional since until the latter part of the twentieth century leadership was thought of as a concept which is primarily male, military and Western.

4.6.2 Trait Theories

The trait theories list the traits or qualities which are seen in abundance in leaders. They draw virtually the adjectives in the dictionary to describe the positive or virtuous human attribute, from ambition to zest for life.

The Trait Approach arose from the “Great Man” theory as a way of identifying the key characteristics of successful leaders. It was believed that through this approach critical leadership traits could be isolated and that people with such traits could then be recruited, selected, and installed into leadership positions. This approach was common in the military and is still used as a set of criteria to select candidates for commissions.

The problem with the trait approach lies in the fact that almost as many traits as studies undertaken were identified. After several years of such research, it became apparent that no consistent traits could be identified. Although some traits were found in a considerable number of studies, the results were generally inconclusive. Some leaders might have
possessed certain traits but the absence of them did not necessarily mean that the person was not a leader.

Venkateswara Rao and Prayag Mehta (1978) have identified 49 personality characteristics of entrepreneurs that made a significant difference in the success of their business ventures, including creativity, calculated risk–taking, not discouraged by failure, future oriented, hard working, persistent, leader, average intelligence, etc. to make a lot of money.

Singh (1985) has classified certain essential entrepreneurial characteristics as those having high empirical value and those having with low empirical value. According to him, those with high empirical value stand for achievement, influence others, high sense of self-efficacy, change-proneness, degree of self perceived readiness, overall modernity and business and financial background; while he stated that the observed and experienced traits viz., dignity of labour, strong will power, high self esteem, tactful competition, exploitative and opportunity creative, imaginative and also influence entrepreneurial success but are of lower empirical value in research.

McClelland (1961) identified three behavioral traits associated with high need for achievement (N-Ach): (1) Taking personal responsibility for finding solutions to problems; (2) Setting moderate achievement goals, and taking calculated risks to achieve them; and (3) Desiring concrete feedback. McClelland later reported a series of studies linking high N-Ach with entrepreneurship (McClelland, 1965a and 1965b). Hornaday's (1982) research work on entrepreneurship mentioned forty-two attributes of entrepreneurs, which are given in Table 4.3.
Table 4.3: Forty Two Entrepreneurial Attributes

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Confidence</td>
</tr>
<tr>
<td>2.</td>
<td>Perseverance/Determination</td>
</tr>
<tr>
<td>3.</td>
<td>Energy, diligence</td>
</tr>
<tr>
<td>4.</td>
<td>Resourcefulness</td>
</tr>
<tr>
<td>5.</td>
<td>Ability to take calculated risks</td>
</tr>
<tr>
<td>6.</td>
<td>Dynamism, Leadership</td>
</tr>
<tr>
<td>7.</td>
<td>Optimism</td>
</tr>
<tr>
<td>8.</td>
<td>Need to achieve</td>
</tr>
<tr>
<td>9.</td>
<td>Versatility (knowledge of product, marketing, machinery, technology)</td>
</tr>
<tr>
<td>10.</td>
<td>Credibility</td>
</tr>
<tr>
<td>11.</td>
<td>Ability to influence others</td>
</tr>
<tr>
<td>12.</td>
<td>Ability to get along well with other people</td>
</tr>
<tr>
<td>13.</td>
<td>Initiative</td>
</tr>
<tr>
<td>14.</td>
<td>Flexibility</td>
</tr>
<tr>
<td>15.</td>
<td>Intelligence</td>
</tr>
<tr>
<td>16.</td>
<td>Oriented to clear goals</td>
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<tr>
<td>17.</td>
<td>Positive response to challenges</td>
</tr>
<tr>
<td>18.</td>
<td>Independence</td>
</tr>
<tr>
<td>19.</td>
<td>Responsiveness to suggestions and criticism</td>
</tr>
<tr>
<td>20.</td>
<td>Time competence, efficiency</td>
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<tr>
<td>21.</td>
<td>Ability to make decisions quickly</td>
</tr>
<tr>
<td>22.</td>
<td>Responsibility</td>
</tr>
<tr>
<td>23.</td>
<td>Foresight</td>
</tr>
<tr>
<td>24.</td>
<td>Accuracy, thoroughness</td>
</tr>
<tr>
<td>25.</td>
<td>Cooperativeness</td>
</tr>
<tr>
<td>26.</td>
<td>Profit Orientation</td>
</tr>
<tr>
<td>27.</td>
<td>Ability to learn from mistakes</td>
</tr>
<tr>
<td>28.</td>
<td>Sense of power</td>
</tr>
<tr>
<td>29.</td>
<td>Pleasant personality</td>
</tr>
<tr>
<td>30.</td>
<td>Egotism</td>
</tr>
<tr>
<td>31.</td>
<td>Courage</td>
</tr>
<tr>
<td>32.</td>
<td>Imagination</td>
</tr>
<tr>
<td>33.</td>
<td>Perceptiveness</td>
</tr>
<tr>
<td>34.</td>
<td>Tolerance for ambiguity</td>
</tr>
<tr>
<td>35.</td>
<td>Aggressiveness</td>
</tr>
<tr>
<td>36.</td>
<td>Capacity for enjoyment</td>
</tr>
<tr>
<td>37.</td>
<td>Efficiency</td>
</tr>
<tr>
<td>38.</td>
<td>Commitment</td>
</tr>
<tr>
<td>39.</td>
<td>Ability to trust workers</td>
</tr>
<tr>
<td>40.</td>
<td>Sensitivity to others</td>
</tr>
<tr>
<td>41.</td>
<td>Honesty, integrity</td>
</tr>
<tr>
<td>42.</td>
<td>Maturity, balance</td>
</tr>
</tbody>
</table>

Source: Hornaday (1982)
There are 12 attributes that are considered to be important from the viewpoint of venture capitalists, behavioral scientists and entrepreneurs, for achieving entrepreneurial success, which are as follows:

1) Drive and Energy Level;
2) Self-confidence:
3) Setting Challenging but Realistic Goals;
4) Long-term Involvements;
5) Using Money as a Performance Measure;
6) Persistent Problem Solving;
7) Taking Moderate Risks;
8) Learning from Failure;
9) Using Criticism;
10) Taking Initiative and Seeking Personal Responsibility;
11) Making Good Use of resource; and
12) Competing against Self-Imposed standards.

Although there was little consistency in the results of the various trait studies, however, some traits did appear more frequently than others, including: technical skill, friendliness, task motivation, application to task, group task supportiveness, social skill, emotional control, administrative skill, general charisma, and intelligence. Of these, the most widely explored has tended to be “charisma”. The Main Leadership Traits and Skills Identified by Stogdill in 1974 is given in Table 4.4.
### Table 4.4: The Main Leadership Traits and Skills Identified by Stogdill in 1974.

<table>
<thead>
<tr>
<th>Traits</th>
<th>Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Adaptable to situations</td>
<td>1) Clever (intelligent)</td>
</tr>
<tr>
<td>2) Alert to social environment</td>
<td>2) Conceptually skilled</td>
</tr>
<tr>
<td>3) Ambitious and achievement-orientated</td>
<td>3) Creative</td>
</tr>
<tr>
<td>4) Assertive</td>
<td>4) Diplomatic and tactful</td>
</tr>
<tr>
<td>5) Cooperative</td>
<td>5) Fluent in speaking</td>
</tr>
<tr>
<td>6) Decisive</td>
<td>6) Knowledgeable about group task</td>
</tr>
<tr>
<td>7) Dependable</td>
<td>7) Organised (administrative ability)</td>
</tr>
<tr>
<td>8) Dominant (desire to influence others)</td>
<td>8) Persuasive</td>
</tr>
<tr>
<td>9) Energetic (high activity level)</td>
<td>9) Socially skilled</td>
</tr>
<tr>
<td>10) Persistent</td>
<td></td>
</tr>
<tr>
<td>11) Self-confident</td>
<td></td>
</tr>
<tr>
<td>12) Tolerant of stress</td>
<td></td>
</tr>
<tr>
<td>13) Willing to assume responsibility</td>
<td></td>
</tr>
</tbody>
</table>

Leadership Skills and Traits (Stogdill, 1974)

### 4.6.3 Behaviourist Theories

Behaviourist theories concentrate on what leaders actually do rather than on their qualities. Different patterns of behaviour are observed in leaders and they are categorised as 'styles of leadership'. This area has probably attracted most attention from practicing managers.
The results of the trait studies were inconclusive. Traits, amongst other things, were hard to measure. How do we measure traits such as honesty, integrity, loyalty, or diligence? Another approach in the study of leadership had to be found.

After the publication of the late Douglas McGregor's classic book *The Human Side of Enterprise* in 1960, attention shifted to ‘behavioural theories’. McGregor was a teacher, researcher, and consultant whose work was considered to be "on the cutting edge" of managing people. He influenced all the behavioural theories, which emphasize focusing on human relationships, along with output and performance.

### 4.6.4 McGregor’s Theory X & Theory Y Managers

Although not strictly speaking a theory of leadership, the leadership strategy of effectively-used participative management proposed in Douglas McGregor's book has had a tremendous impact on managers. The most publicized concept is McGregor's thesis that leadership strategies are influenced by a leader's assumptions about human nature. As a result of his experience as a consultant, McGregor summarized two contrasting sets of assumptions made by managers in industry, which are given in Table 4.5.
**Table 4.5: Theory X and Theory Y**

<table>
<thead>
<tr>
<th>Theory X managers believe that:</th>
<th>Theory Y managers believe that:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) The average human being has an inherent dislike of work and will avoid it if possible.</td>
<td>1) The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being, under proper conditions, learns not only to accept but to seek responsibility.</td>
</tr>
<tr>
<td>2) Because of this human characteristic, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives.</td>
<td>2) People will exercise self-direction and self-control to achieve objectives to which they are committed.</td>
</tr>
<tr>
<td>3) The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else.</td>
<td>3) The capacity to exercise a relatively high level of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and the intellectual potentialities of the average human being are only partially utilized under the conditions of modern industrial life.</td>
</tr>
</tbody>
</table>

Theory X and Y Managers (McGregor, 1960)

It can therefore be seen that a leader holding Theory X assumptions would prefer an autocratic style, whereas one holding Theory Y assumptions would prefer a more participative style.
4.6.5 Likert Leadership Theory

Likert (1967) incorporated basic styles used in categorizing task orientation and employee orientation to develop a model of management effectiveness. Based on this model, four possible leadership systems, namely:

1) Exploitative and authoritative,
2) Benevolent and authoritative,
3) Consultative and
4) Participative were proposed.

With respect to the exploitative and authoritative system, the subordinates carry out the tasks while manager makes all work related decisions. Managers tend to set rigid standards and methods for the subordinates to work with. Departure from this standards and methods by subordinates attract threats and punishments from the supervisor. The managers entrust little confidence in their subordinates and in return, the subordinates fear their superiors and feel that they are inferior or different from them.

Benevolent and authoritative management style operates with the manager in control and issues orders, while subordinates are given some level of flexibility in carrying out their work, however, within specific limits and procedure.

The third system is the consultative style. The manager sets goals and targets after due consultation with the subordinates. Though subordinates can take their own decisions on how to go about their work, however, higher level managers handle major decisions. Threats and punishments were replaced by rewards as an instrument of motivating subordinates. In
this style, subordinates are free to discuss work related issues with their managers. In turn the managers believe that to a large extent their subordinates can be trusted to carry out work with minimal supervision and correction.

The fourth style is the participative style. This is the last and most supported management style by Likert. Goals and targets are set, while the group makes work related decisions. This is done after incorporating the ideas and suggestions of all group members. Therefore the set goals and the decisions may not be favored or disliked on personal or individual grounds. Workers are motivated with economic rewards and a sense of self-worth and importance. This style holds friendly interactions between managers and subordinates.

Conclusively, Likert’s studies show that leaders in organizational departments used the first and second styles of management mentioned with low productivity. High producing departments in an organization are those managed through consultative and participative leadership styles.

Based on all these, Likert concluded that participative management is the best form of management in almost all work situations. However, other theorists, who are of the opinion that no management style fits all situations, have opposed this assertion.

4.6.6 Contingency Theory

The Contingency theory is a refinement of the situational leadership theory and focuses on identifying the situational variables which best predict the most appropriate or effective leadership styles to fit particular circumstances.
Whilst behavioural theories may help managers develop particular leadership behaviours they give little guidance as to what constitutes effective leadership in different situations. Indeed, most researchers today conclude that no one leadership style is right for every manager under all circumstances. Instead, contingency-situational theories were developed to indicate that the style to be used is contingent upon such factors as the situation, the people, the task, the organisation, and other environmental variables. The major theories contributing towards this school of thought are described below.

4.6.7 Fiedler's Contingency Model

Fiedler's (1967) contingency theory postulates that there is no single best way for managers to lead. Situations will create different leadership style requirements for a manager. The solution to a managerial situation is contingent on the factors that impinge on the situation. For example, in a highly routine (mechanistic) environment where repetitive tasks are the norm, a relatively directive leadership style may result in the best performance, however, in a dynamic environment a more flexible, participative style may be required.

Fiedler looked at three situations that could define the condition of a managerial task:

1) **Leader member relations:** How well do the manager and the employees get along?

2) **Task structure:** Is the job highly structured, fairly unstructured, or somewhere in between?

3) **Position power:** How much authority does the manager possess?
Managers were rated as to whether they were relationship oriented or task oriented. Task oriented managers tend to do better in situations that have good leader-member relationships, structured tasks, and either weak or strong position power. They do well when the task is unstructured but position power is strong. Also, they did well at the other end of the spectrum when the leader member relations were moderate to poor and the task was unstructured. Relationship oriented managers do better in all other situations. Thus, a given situation might call for a manager with a different style or a manager who could take on a different style for a different situation.

These environmental variables are combined in a weighted sum that is termed "favourable" at one end and "unfavourable" at the other. Task oriented style is preferable at the clearly defined extremes of "favourable" and "unfavourable" environments, but relationship orientation excels in the middle ground. Managers could attempt to reshape the environment variables to match their style.

Another aspect of the contingency model theory is that the leader-member relations, task structure, and position power dictate a leader's situational control. Leader-member relations are the amount of loyalty, dependability, and support that the leader receives from employees. It is a measure of how the manager perceives him or her and the group of employees is getting along together. In a favourable relationship the manager has a high task structure and is able to reward and or punish employees without any problems. In an unfavourable relationship the task is usually unstructured and the leader possesses limited authority. The spelling out in detail (favourable) of what is required of subordinates affects task structure.
Positioning power measures the amount of power or authority the manager perceives the organization has given him or her for the purpose of directing, rewarding, and punishing subordinates. Positioning power of managers depends on the taking away (favourable) or increasing (unfavourable) the decision-making power of employees.

The task-motivated style leader experiences pride and satisfaction in the task accomplishment for the organization, while the relationship-motivated style seeks to build interpersonal relations and extend extra help for the team development in the organization. There is no good or bad leadership style. Each person has his or her own preferences for leadership. Task-motivated leaders are at their best when the group performs successfully such as achieving a new sales record or outperforming the major competitor. Relationship-oriented leaders are at their best when greater customer satisfaction is gained and a positive company image is established.

4.6.8 The Hersey-Blanchard Model of Leadership

The Hersey-Blanchard (1977) Leadership Model also takes a situational perspective of leadership. This model posits that the developmental levels of a leader's subordinates play the greatest role in determining which leadership styles (leader behaviours) are most appropriate. Their theory is based on the amount of direction (task behaviour) and socio-emotional support (relationship behaviour) a leader must provide given the situation and the "level of maturity" of the followers.

1) **Task behaviour** is the extent to which the leader engages in spelling out the duties and responsibilities to an individual or
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This behaviour includes telling people what to do, how to do it, when to do it, where to do it, and who's to do it. In task behaviour the leader engages in one-way communication.

2) **Relationship behaviour** is the extent to which the leader engages in two-way or multi-way communications. This includes listening, facilitating, and supportive behaviours. In relationship behaviour the leader engages in two-way communication by providing socio-emotional support.

3) **Maturity** is the willingness and ability of a person to take responsibility for directing his or her own behaviour. People tend to have varying degrees of maturity, depending on the specific task, function, or objective that a leader is attempting to accomplish through their efforts.

Leader Behaviours fall along two continua which are explained in Table 4.6

**Table 4.6: Leader Behaviours Fall Along Two Continua:**

<table>
<thead>
<tr>
<th>Directive behaviour</th>
<th>Supportive behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) One-Way Communication</td>
<td>1) Two-Way Communication</td>
</tr>
<tr>
<td>2) Followers' Roles Clearly</td>
<td>2) Listening, providing support and encouragement</td>
</tr>
<tr>
<td>3) Close Supervision of Performance</td>
<td>3) Facilitate interaction Involve follower in decision-making</td>
</tr>
</tbody>
</table>

For Blanchard the key situational variable, when determining the appropriate leadership style, is the readiness or developmental level of the subordinate(s). As a result, four leadership styles result:
1) **Directing:** The leader provides clear instructions and specific direction. This style is best matched with a low follower readiness level.

2) **Coaching:** The leader encourages two-way communication and helps build confidence and motivation on the part of the employee, although the leader still has responsibility and controls decision making. Selling style is best matched with a moderate follower readiness level.

3) **Supporting:** With this style, the leader and followers share decision making and no longer need or expect the relationship to be directive. Participating style is best matched with a moderate follower readiness level.

4) **Delegating:** This style is appropriate for leaders whose followers are ready to accomplish a particular task and are both competent and motivated to take full responsibility. Delegating style is best matched with a high follower readiness level.

To determine the appropriate leadership style in a given situation, the leader must first determine the maturity level of the followers in relation to the specific task that the leader is attempting to accomplish through the effort of the followers. As the level of followers' maturity increases, the leader should begin to reduce his or her task behaviour and increase relationship behaviour until the followers reach a moderate level of maturity. As the followers begin to move into an above average level of maturity, the leader should decrease not only task behaviour but also relationship behaviour. Once the maturity level is identified, the appropriate leadership style can be determined.
4.6.9 Blake and Mouton's Managerial Grid

The Managerial Grid developed by Robert Blake and Jane Mouton (1964) focus on task (production) and employee (people) orientations of managers, as well as combinations of concerns between the two extremes. A grid with concern for production on the horizontal axis, and concern for people on the vertical axis and plots five basic leadership styles. The first number refers to a leader's production or task orientation; the second, to people or employee orientation.

[Image: Blake Mouton Managerial Grid]

**Figure 4.1:** The Blake Mouton Managerial Grid

According to Blake and Mouton “Team Management” - a high concern for both employees and production - is the most effective type of leadership behavior (Fig. 4.1).

4.6.10 Tannenbaum and Schmidt’s Leadership Continuum

One criticism of early work on leadership styles is that they looked at styles too much in black and white terms. The autocratic and
democratic styles or task-oriented and relationship-oriented styles which they described are extremes, whereas in practice the behaviour of many, perhaps most, leaders in business will be somewhere between the two. Contingency theorists Tannenbaum and Schmidt (1958) suggested the idea that leadership behaviour varies along a continuum and that as one moves away from the autocratic extreme the amount of subordinate participation and involvement in decision taking increases. They also suggested that the kind of leadership represented by the democratic extreme of the continuum will be rarely encountered in formal organisations.

**Four main leadership styles can be located at points along such a continuum:**

1) **Autocratic:** The leader takes the decisions and announces them, expecting subordinates to carry them out without question (the *Telling* style).

2) **Persuasive:** At this point on the scale the leader also takes all the decisions for the group without discussion or consultation but believes that people will be better motivated if they are persuaded that the decisions are good ones. He or she does a lot of explaining and 'selling' in order to overcome any possible resistance to what he or she wants to do. The leader also puts a lot of energy into creating enthusiasm for the goals he or she has set for the group (the *Selling* style).

3) **Consultative:** In this style the leader confers with the group members before taking decisions and, in fact, considers their advice and their feelings when framing decisions. He or she may, of course, not always accept the subordinates' advice but they are likely to feel that they can have some influence. Under
Leadership Styles

this leadership style the decision and the full responsibility for it remain with the leader but the degree of involvement by subordinates in decision taking is very much greater than telling or selling styles (the Consulting style).

4) Democratic: Using this style the leader would characteristically lay the problem before his or her subordinates and invite discussion. The leader's role is that of conference leader, or chair, rather than that of decision taker. He or she will allow the decision to emerge out of the process of group discussion, instead of imposing it on the group as its boss (the Joining style).

What distinguishes this approach from previous discussions of leadership style is that there will be some situations in which each of the above styles is likely to be more appropriate than the others.

1) Telling: In an emergency, a telling style may be most appropriate and would normally be considered justified by the group (as long as the general climate of that group is supportive and mature).

2) Selling: The selling style would tend to fit situations in which the group leader, and he or she alone, possesses all the information on which the decision must be based and which at the same time calls for a very high level of commitment and enthusiasm on the part of group members if the task is to be carried through successfully.

3) Consulting: The consulting style is likely to be most appropriate when there is time to reach a considered decision and when the information on which the decision needs to be based lies among the members of the group.
4) **Joining:** The joining style is appropriate under similar conditions, with the important exception that this is likely to be appropriate only in those instances where the nature of the responsibility associated with the decision is such that group members are willing to share it with their leader, or alternatively the leader is willing to accept responsibility for decisions which he or she has not made personally.

### 4.6.11 Adair’s Action-Centered Leadership Model

John Adair (1973) has a long pedigree in the world of leadership. The Adair model is that the action-centered leader gets the job done through the work team and relationships with fellow managers and staff. According to Adair's explanation an action-centered leader must:

1) direct the job to be done (task structuring)
2) support and review the individual people doing it
3) co-ordinate and foster the work team as a whole

![Figure 4.2: Action-Centred Leadership Model](image-url)
Leadership Styles

His famous three circle diagram (Fig. 4.2) is a simplification of the variability of human interaction, but is a useful tool for thinking about what constitutes an effective leader/manager in relation to the job he/she has to do. The effective leader/manager carries out the functions and exhibits the behaviours depicted by the three circles. Situational and contingent elements call for different responses by the leader. Hence imagine that the various circles may be bigger or smaller as the situation varies i.e. the leader will give more or less emphasis to the functionally-oriented behaviours according to what the actual situation involves. The challenge for the leader is to manage all sectors of the diagram.

4.7 Leadership in Indian Organizations

According to Sridhar Jayanthi,(2008) Vice President of Engineering and Head of India Operations, Mc Afee, given the right work environment and management style, everyone will strive for high performance and higher goals. A leader’s main role is to promote a culture and support systems where employees can work on their goals independently, make informed decisions, take calculated risks and innovate. On the other side of, he believes obedience is not a virtue as it often confines the individual to a limited set of ideas and processes. If a leader wants to build a high performance team, he needs responsible free thinkers, who can not only think out of the box for solutions, but also question status quo in a constructive manner. In today’s corporate world, a leader has to have the courage to hire people smarter than himself with a positive attitude and empower them to thrive in a free thinking culture where constructive dissent is encouraged over blind acceptance. Once leader aligns his goals to the business goals, he has to trust them to execute the best of their ability, while providing direction as needed. This will result in the employees being satisfied, a job well done and achievement of business goals.
Shan Ponnambalam (2008), Head of operations, Applied Materials India says that authoritative style of leadership and results it produces are far less efficient than ‘influential leadership’. His style of leadership is articulating what he seeks from a project or from a team, and then seeks the opinion of the team members on how could they go about it. A leader does not sell his decision to the team members since they themselves have helped to arrive at it.

In the words of Pravin Desale (2008), Managing Director – India operations, LSI Corporation, his leadership strength lies in the fact that he can mould himself as per his business needs. He also ensures that in every situation he handle the task with full transparency as it makes the task much easier for him as well as his teammates to follow and understand. For him the three pillars, which represent the essence of his leadership style, are: transparency, visibility driven accountability and process and frameworks for success. A manager uses tools and resources available to optimize deliverables and ensures productivity while ensuring customer satisfaction and revenue generation. A leader is someone who can maximize the potential of employees especially in situations when the employee is not aware of his potential. Leaders often guide or train management teams to be efficient and helps to create a pipeline of leaders within an organization.

Arun Subramony (2008), Vice President – Global Delivery, UST Global says that from his 18 years of work life in IT industry, he has found ability to work together, ability to play together and ability to learn together are indispensable to achieve recognition and success for any leader working in a team environment. Every leader should have self interest and dreams. Twenty first century will be remembered for how leaders and organizations
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contributed to the society and communities they operate in. He believes that social capital will be unique differentiating factor that will lead to sustainable competitive advantage for any organization or leader in this century.

4.8 Conclusion

Leadership is a skill, not a talent, which can be acquired by reading, learning, training continuous practice and experience. Everyone should know that leaders are not born but are made due to external environment and circumstances. The road to leadership is not an easy one but an uphill and a Herculean task. Anybody can become a leader but everybody cannot become one. The leaders lead their lives with lot of struggles and sacrifices and they live larger than life even after their death because they live more in the hearts of people rather than in the minds of people.